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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.

20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

BEST COPY AVAILABLE

For Quarter Ended:

March 31, 1992

Commission File Number:

0-19334

OUTBACK STEAKHOUSE, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	59-3061413
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

550 North Reo Street, Suite 204
Tampa, FL 33609

(Address of principal executive offices) (Zip Code)

(813) 282-1225

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No _____.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of March 31, 1992, there were 11,424,409 shares of Common Stock, $.01 par value outstanding.

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OUTBACK STEAKHOUSE, INC.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company, all adjustments (consisting only of normal recurring entries) necessary for the fair presentation of the Company's results of operations, financial position and changes therein for the periods presented have been included.

OUTBACK STEAKHOUSE, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 1992 (Unaudited)	December 31, 1991
CURRENT ASSETS		
Cash	$39,149,400	$16,232,800
Inventories	748,500	903,900
Other current assets	751,600	634,200
Total current assets	40,649,500	17,770,900
PROPERTY		
Land	580,800	539,900
Furniture and fixtures	1,732,800	1,616,300
Equipment	6,480,300	4,781,100
Leasehold improvements	6,546,100	6,188,600
Construction in progress	2,067,600	348,400
	17,407,600	13,474,300
Less accumulated depreciation and amortization	(1,854,100)	(1,512,200)
Total property, net	15,553,500	11,962,100
PRE-OPENING COSTS, NET	775,000	1,072,700
INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES	4,829,200	3,774,500
OTHER ASSETS	132,200	134,700
	$61,939,400	$34,714,900

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$ 1,352,700	$ 487,700
Sales taxes payable	579,000	459,800
Accrued expenses:		
Accrued payroll	540,600	764,700
Accrued advertising	1,439,800	728,900
Accrued rent	143,600	257,400
Accrued insurance	636,400	505,300
Other	440,900	289,000
Unearned revenue	427,900	721,600
Current portion of long-term debt		240,000
Income taxes payable	1,581,600	1,873,200
Total current liabilities	7,142,500	6,327,600
DEFERRED INCOME TAXES	310,000	300,000
LONG-TERM DEBT		746,700
INTEREST OF MINORITY PARTNERS IN CONSOLIDATED PARTNERSHIPS	699,400	692,300
Total liabilities	8,151,900	8,066,600
STOCKHOLDERS' EQUITY		
Preferred stock, $0.01 par value, 2,000,000 shares authorized; none outstanding		
Common stock, $0.01 par value, 20,000,000 shares authorized; 11,424,409 and 10,501,909 shares issued and outstanding as of March 31, 1992 and December 31, 1991, respectively	114,200	105,000
Additional paid-in capital	44,206,500	19,378,800
Retained earnings	9,466,800	7,164,500
Total stockholders' equity	53,787,500	26,648,300
	$61,939,400	$34,714,900

See notes to consolidated financial statements.

OUTBACK STEAKHOUSE, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended March 31, 1992	1991	
REVENUES	$21,461,300	$10,519,700	
COSTS AND EXPENSES			
Cost of revenues	8,073,300	3,966,100	
Restaurant operating expenses	8,807,300	4,345,800	
General & administrative expenses	1,422,300	668,800	
(Income) from operations of unconsolidated affiliates	(884,700)	(173,000)	
INCOME FROM OPERATIONS	17,418,200	8,807,700	
NON-OPERATING INCOME (EXPENSE)	4,043,100	1,712,000	
Interest income	294,700	15,200	
Interest expense	(18,100)	(48,200)	
	276,600	(33,000)	
INCOME BEFORE ELIMINATION OF MINORITY PARTNERS' INTEREST AND INCOME TAXES	4,319,700	1,679,000	
ELIMINATION OF MINORITY PARTNERS' INTEREST	541,000	212,700	
INCOME BEFORE PROVISION FOR INCOME TAXES	3,778,700	1,466,300	
PROVISION FOR INCOME TAXES	1,435,900	557,200	(1)
NET INCOME	$ 2,342,800	$ 909,100	(1)
EARNINGS PER COMMON SHARE	$ 0.20	$ 0.10	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	11,596,000	9,091,000	

(1) Amounts include pro forma adjustments for the three months ended March 31, 1991. See page 12 of this report.

See notes to consolidated financial statements.

OUTBACK STEAKHOUSE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended	
	March 31, 1992	March 31, 1991
Cash flows from operating activities:		
Net income	$ 2,342,800	$ 1,050,400
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	341,900	184,600
Amortization	420,000	157,900
Outside partners' interest in consolidated partnerships income	541,000	212,700
(Income) from unconsolidated affiliates	(884,700)	(173,000)
Change in assets and liabilities:		
(Increase) decrease in inventories	155,400	(54,700)
Increase in other current assets	(117,400)	(214,500)
Increase in pre-opening costs	(116,200)	(542,000)
(Increase) decrease in other assets	(3,600)	43,900
Increase in accounts payable and accrued expenses	1,640,200	255,100
Decrease in unearned revenue	(293,700)	(95,600)
Increase (decrease) in income taxes payable	(291,600)	203,300
Increase in deferred income taxes	10,000	65,100
Net cash provided by operating activities	3,744,100	1,093,200
Cash flows used in investing activities:		
Capital expenditures	(3,933,300)	(1,343,700)
Payments from unconsolidated affiliates	878,000	284,900
Investments in and advances to unconsolidated affiliates	(1,048,000)	(1,418,100)
Net cash used in investing activities	(4,103,300)	(2,476,900)
Cash flows from financing activities:		
Proceeds from issuance of stock	24,836,900	
Proceeds from issuance of long-term debt		881,700
Proceeds from minority partners' contributions	97,000	75,000
Distributions to minority partners and shareholders	(671,400)	(105,000)
Repayments of long-term debt	(986,700)	(66,700)
Net cash provided by financing activities	23,275,800	784,000
Net increase (decrease) in cash	22,916,600	(599,700)
Cash at beginning of period	16,232,800	2,983,000
Cash at end of period	$39,149,400	$ 2,383,300
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 18,000	$ 39,000
Cash paid for income taxes	1,716,700	450,500

See notes to consolidated financial statements.

OUTBACK STEAKHOUSE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of Presentation

Effective June 25, 1991, the Company and all of the stockholders of Outback Steakhouse, Inc. (a Florida corporation) ("Outback Florida") entered into a reorganization agreement pursuant to which those stockholders exchanged all of their respective shares of Outback Florida Common Stock and Series A, Series B, and Series C Preferred Stock for shares of Common Stock of the Company. The holders of options to purchase Common Stock of Outback Florida agreed to exchange those options for options to purchase shares of Common Stock of the Company. In addition, the Company entered into exchange agreements with substantially all of the limited partners of the nine limited partnerships of which Outback Florida was the sole general partner, providing for the exchange of their limited partnership interests for shares of Common Stock of the Company.

The Exchanges have been accounted for as a combination of entities under common control and the financial statements presented herein have been restated to apply retroactive effect to the transactions referred to above for the applicable periods presented. The balances in each exchanging partners' capital were transferred to the equity account of the reorganized company. The income attributed to the exchanging partners has been treated as if it had been income to the reorganized company.

In December 1991, the Company entered into an Agreement and Plan of Reorganization with American Restaurants, one of the Company's Development Joint Venture partners, providing for the merger of American Restaurants into the Company. The merger was completed in January 1992. The former stockholders of American Restaurants received an aggregate of 510,000 shares of Common Stock of the Company in exchange for all of the outstanding capital stock of American Restaurants. The merger has been accounted for as a combination of entities under common control using historical amounts and the financial statements presented herein have been restated to give retroactive effect to the merger for the applicable periods presented.

For comparative purposes, pro forma statements of income are presented within this report for the three months ended March 31, 1991. In the opinion of management, these statements are necessary for the fair presentation of the operating results for the respective periods. The pro forma adjustments properly reflect the pro forma increase in the provision for income tax of the Company as a result of the exchange and merger described above (see page 12 of this report). Since the Company is not liable for the payment of income taxes attributable to the exchanging partners prior to June 25, 1991 or American Restaurants prior to December 31, 1991, no adjustments to the balance sheets have been made for pro forma taxes.

. **Long-term Debt**

Long-term debt consisted of the following:

	March 31, 1992	December 31, 1991
Notes payable to banks, secured by equipment and fixtures, interest at rates ranging from 7.5% to 10%, principal and interest due in 60 monthly installments		$ 986,700
Less current portion		240,000
Long-term Debt		$ 746,700

All of the notes payable outstanding as of December 31, 1991 were assumed by the Company in connection with the merger with American Restaurants. During the quarter ended March 31, 1992, all of the notes were repaid from cash on hand.

. **Stockholders' Equity**

In January 1992, the Company completed the sale of 900,000 shares of its Common Stock through a public offering. Net proceeds to the Company totaled approximately $24,600,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The following table sets forth, for the periods indicated, (i) the percentages which the items in the Company's Consolidated Statements of Income bear to total revenues, and (ii) selected operating data:

	Three Months Ended March 31,	
	1992	1991
REVENUES	100.0%	100.0%
COSTS AND EXPENSES:		
Cost of revenues	37.6	37.7
Restaurant operating expense	41.0	41.3
General & administrative	6.6	6.4
Income from operations of unconsolidated affiliates	(4.0)	(1.6)
Total costs and expenses	81.2	83.8
INCOME FROM OPERATIONS	18.8	16.2
INTEREST INCOME (EXPENSE), NET	1.3	(0.3)
INCOME BEFORE ELIMINATION OF MINORITY PARTNERS' INTEREST AND INCOME TAXES	20.1	15.9
ELIMINATION OF MINORITY PARTNERS' INTEREST	2.5	2.0
INCOME BEFORE INCOME TAXES	17.6	13.9
PROVISION FOR INCOME TAXES	6.7	5.3
NET INCOME	10.9%	8.6%
Operating Data:		
System-wide sales (thousands of dollars)		
Company-owned restaurants	$21,289.3	$10,440.4
Development joint venture restaurants	10,609.0	3,610.6
Franchised restaurants	4,912.3	2,874.0
Total	$36,810.6	$16,925.0
Number of restaurants (at end of period):		
Company-owned restaurants	29	19
Development joint venture restaurants	17	8
Franchised restaurants	8	4
Total	54	31

Three months ended March 31, 1991 and 1992

Revenues. Total revenues increased by 104% to $21,461,300 during the first quarter of 1992 as compared with $10,519,700 in the same period in 1991. The increase was attributable to the opening of new restaurants after March 31, 1991, and to a 7.7% increase in same-store sales. The increase in same-store sales was primarily attributable to increased customer counts.

Costs and expenses. Costs of restaurant sales, consisting of food and beverage costs, decreased slightly in the first quarter of 1992, to 37.6% of restaurant sales, as compared with 37.7% in the same period in 1991. This decrease was primarily the result of more favorable commodity prices in the first quarter of 1992.

Restaurant operating expenses include all other unit-level operating costs, the major components of which are direct and indirect labor costs, operating supplies, rent, repairs and maintenance, advertising expenses, utilities, depreciation and amortization and other occupancy costs. A substantial portion of these expenses are fixed or indirectly variable. These costs decreased by 0.3% of restaurant sales, to 41.0%, in the first quarter of 1992, as compared with 41.3% in the same period in 1991. This decrease was attributable to higher sales per restaurant.

General and administrative costs increased to 6.6% of revenues during the first quarter of 1992 as compared with 6.4% of revenues in the same period in 1991. This increase reflected higher advertising administrative costs and the cost of additional staffing undertaken to manage and support additional restaurants, including Development Joint Venture restaurants and restaurants operated by unaffiliated franchisees.

Income from operations of unconsolidated affiliates (Development Joint Venture restaurants) increased to $884,700 in the first quarter of 1992 as compared with $173,000 in the same period in 1991. This increase is attributable to additional restaurants in operation and improved sales and margins in restaurants opened prior to March 31, 1991.

Income from operations. As a result of the increase in revenues, the changes in the relationship between revenues and expenses discussed above and the opening of new restaurants, income from operations increased by $2,331,100, to $4,043,100, in the first quarter of 1992 as compared with $1,712,000 in the same period in 1991.

Interest income (expense), net. Net interest income was $276,600 during the first quarter of 1992 as compared with net interest expense of $33,000 in the same period in 1991. This change was attributable to decreased borrowings and an increase in interest income resulting from higher cash balances as proceeds from the sales of stock were invested.

Elimination of minority interests. The costs included in this line item represent the portion of income from operations included in consolidated operating results attributable to the ownership interests of restaurant managers and joint venture partners in Limited

Partnerships and Controlled Joint Ventures. These costs increased in first quarter of 1992 by 0.5% of restaurant sales, to 2.5%, as compared with 2.0% in the same period in 1991. The change in this ratio reflects changes in overall restaurant operating margins combined with changes in specific restaurant or controlled joint venture performance.

Provision for income taxes. The provision for income taxes in both quarters reflected expected income taxes due at federal statutory rates and state income tax rates, net of the federal benefits. The effective income tax rates were 38.0% during the first quarter of both 1992 and 1991.

Net income and pro forma earnings per share. Net income for the first quarter of 1992 was $2,342,800 as compared with $909,100 in the same period in 1991, an increase of 158%. Earnings per share increased to $0.20 during the first quarter of 1992 as compared with $0.10 for the same period ended in 1991. The increase in earnings per share for the 1992 period as compared with the 1991 period was not proportionate to the increase in net income between the two periods as a result of additional shares outstanding from the sale of stock in June 1991 and January 1992.

Liquidity and Capital Resources

The following table presents a summary of the Company's cash flows and capital expenditures for the periods indicated.

	Year Ended December 31, 1991	Three Months Ended March 31, 1991	March 31, 1992
		(in thousands)	
Net cash provided by operating activities	$ 8,647.2	$1,391.4	$ 3,744.1
Net cash used in investing activities	(8,105.7)	(2,476.9)	(4,103.3)
Net cash provided by financing activities	12,708.3	485.8	23,275.8
Net increase (decrease) in cash	$13,249.8	$ (599.7)	$22,916.6

The Company requires capital principally for the development of new Company-owned and Development Joint Venture restaurants. The Company generally leases its restaurants under operating leases for periods ranging from five to twenty years. In the future, the Company intends to own an increasing proportion of free-standing restaurants where it is cost effective.

Historically, the Company has borrowed funds to finance the purchase of equipment for new restaurants. The Company's borrowings were under five-year term loans from banks at fixed and variable rates ranging from 0.5% to 1.5% above the banks' prime rates. As of March 31, 1992, the Company has repaid all of its borrowings.

The Company expects that its capital requirements through the end of 1993 will be met by cash resources on hand at March 31 1992, and

PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

The following unaudited pro forma consolidated statement of income for the three months ended March 31, 1991 has been prepared to properly reflect the provision for income tax and net income to the Company assuming the partnership exchange agreements and the merger of American Restaurants into the Company described in "Notes to the Consolidated Financial Statements" had been consummated at the beginning of the period presented.

The pro forma adjustments increase the proportionate share of income tax to the Company assuming the income attributed to the exchanging partners and American Restaurants had been income to the Company. Since the Company is not required to pay the pro forma income taxes, no adjustments to the balance sheets have been made.

The pro forma consolidated statements of income should be read in conjunction with the Consolidated Financial Statements and Notes thereto included elsewhere in this report.

OUTBACK STEAKHOUSE, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

	Restated Three Months Ended March 31, 1991	Pro Forma Adjustments	Pro Forma Three Months Ended March 31, 1991
REVENUES	$10,519,700		$10,519,700
COSTS AND EXPENSES			
Cost of revenues	3,966,100		3,966,100
Restaurant operating expenses	4,345,800		4,345,800
General & administrative expenses	668,800		668,800
(Income) loss from operations of unconsolidated affiliates	(173,000)		(173,000)
INCOME FROM OPERATIONS	8,807,700		8,807,700
NON OPERATING INCOME (EXPENSE)	1,712,000		1,712,000
Interest income	15,200		15,200
Interest expense	(48,200)		(48,200)
	(33,000)		(33,000)
INCOME BEFORE ELIMINATION OF MINORITY PARTNERS' INTEREST AND INCOME TAXES	1,679,000		1,679,000
ELIMINATION OF MINORITY PARTNERS' INTEREST	212,700		212,700
INCOME BEFORE PROVISION FOR INCOME TAXES	1,466,300		1,466,300
PROVISION FOR INCOME TAXES	415,900	141,300 (1)	557,200
NET INCOME	$ 1,050,400	$ (141,300)	$ 909,100
EARNINGS PER COMMON SHARE	$ 0.11		$ 0.10
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	9,091,000		9,091,000

(1) To increase the proportionate share of income tax attributed to the Company pursuant to the Exchange of partnership interest and the merger with American Restaurants described in "Notes to the Financial Statements".

OUTBACK STEAKHOUSE, INC.

PART II: OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None

(b) Reports on Form 8-K

There were no reports filed on Form 8-K during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf of the undersigned hereunto duly authorized.

OUTBACK STEAKHOUSE, INC.
(Registrant)

Date: 5/1/92

By: _____
Robert S. Merritt
Senior Vice President, Finance (Principal Financial and Accounting Officer)